

Summary Responses

**to the
Recommendations
of the**

**Missouri Opportunity
2000 Commission**

Governor John Ashcroft
January 11, 1988





EXECUTIVE OFFICE
STATE OF MISSOURI

JOHN ASHCROFT
GOVERNOR

January 11, 1988

TO THE PEOPLE OF MISSOURI:

In its final report, the Missouri Opportunity 2000 Commission has issued fifty-five recommendations for the people of our state to consider in preparing for the next century of progress for Missouri.

It is significant that the Commission addresses its recommendations to the entire Missouri community and calls for the "engagement and commitment of individuals, business, labor, the not-for-profit community, and local and state government" alike. Individually, some of the specific recommendations call for consideration primarily by the private sector, local schools, state government or others. I encourage all Missourians to study and take advantage of this report.

As Governor and originator of the Commission, I consider it both a privilege and a pleasure to respond to its thought-provoking recommendations. The uncommon step of issuing a formal document of responses emphasizes my sense of the important potential of this endeavor. The Commission has laid valuable groundwork for a dozen years of progress preparing Missouri for the 21st century. This document presents my responses and, as appropriate, plans for action to pursue the guidance provided by the Commission.

As a personal note, let me add that my experience as Governor and this review of the Commission's work redoubles my life-long belief that Missouri is a state of greatness, with still brighter opportunity ahead. We owe co-chairmen Roy Blunt and John Poelker and the entire Commission our thanks for helping identify roads toward that future of progress for Missouri.

Most sincerely,

A handwritten signature in cursive script that reads "John Ashcroft".

GOVERNOR

RECOMMENDATION #1

"The Commission recommends that an Office of Productivity (or Performance) Improvement be established within the appropriate state agency for the purpose of advocating to employers and employees strategies and methods of improving productivity---while improving the quality of the job, the work environment, and job security."

Response

In this first recommendation the Commission wisely focuses on the primary importance of improved productivity as the means of enhancing opportunity throughout Missouri. However, the Governor does not believe that establishing a new agency of state government would be the most effective or appropriate method of pursuing this priority.

Already many Missouri firms are boosting our state's competitiveness by focusing systematically on enhanced productivity. These initiatives are being taken by individual employers and increasingly by coalitions of businesses that recognize the shared benefits of statewide productivity improvement. Examples of such group efforts include the St. Louis-based AAIM -- a non-profit group serving over 500 large and small member firms in the manufacturing, financial and service sectors -- associations of industrial engineers and other professions, and programs organized by Missouri's schools of management, business and engineering.

The efficiency, credibility and expertise of such industry-based associations or specialized academic programs is certain to exceed the more generic and remote perspective of any governmental agency. For this reason the Governor is pursuing the thrust of this recommendation by directing the Department of Economic Development to begin serving as a statewide clearinghouse of information on resources and repositories equipped to assist in productivity improvement efforts.

In state government, the Governor's Advisory Council on Productivity, representing business, labor and elected officials, presents an example of the gains that can be achieved through intensive focus on boosting productivity. The Council's analyses and fresh look at state services and operations have helped instill a new standard of efficiency in state government. The Governor is requesting the Council to assist the Department of Economic Development in its new clearinghouse function in whatever way the Department may consider helpful.

RECOMMENDATION #2

"The Commission recommends that employers -- particularly in the growing service industries -- should recognize and respond to the fact that most workers desire full-time employment, with fair and reasonable benefits and a livable wage."

Response

This recommendation to employers was stimulated in part by an apparent national trend toward part-time employment in service-sector jobs.

Governor Ashcroft joins the Commission in supporting full-time, high-quality employment and urges business and business organizations to respond positively to the impact of rapid economic change on Missouri workers and their jobs. The state's economic development program will continue to encourage private investment, business creation and business expansion in industries that contribute to lasting employment, high wages, and fair health care and other vital employee benefits. Private employers must and should provide both full-time and part-time job opportunities to Missouri workers. Employers should realize that adequate benefits as part of a compensation package are an important investment for their workers and will ensure a more productive and high-quality labor pool.

RECOMMENDATION #3

"The Commission recommends that a coalition, partnership or association be formed among the many existing economic development groups in order to better utilize available resources and to develop better, more persuasive presentations."

Response

In this recommendation the Commission urged the many organizations working for Missouri's economic development -- private and public groups, local and state agencies alike -- to coordinate their efforts toward a common goal.

This strategic approach is endorsed by the Governor and the Missouri Department of Economic Development. State economic development agencies are helping to build a network of information services, technical consultation, and direct assistance serving local economic development activists across Missouri. The MEDIS (Missouri Economic Development Information Service) program, for example, is a statewide, computerized database that state industrial recruiters use to give prospects immediate, on-line access to detailed information on potential plant locations throughout our state.

The Department of Economic Development's newsletter, The Missouri Enterprise, and its sponsorship of activities in connection with the Missouri Industrial Development Council, Inc. (MIDC) also are designed to promote a partnership approach to economic development. MIDC sponsors seminars and workshops throughout Missouri on development related topics.

To expand the contribution of state government to economic development at the local level, the Governor has directed the Department of Economic Development to establish improved, permanent mechanisms to bring private- and public-sector economic development groups together frequently throughout the year. This initiative will give economic development activists new forums to join forces for statewide economic development.

RECOMMENDATION #4

"The Commission recommends that a Missouri State Council for Full Employment be established."

Response

Pursuit of full employment for Missourians has been one of the Governor's top priorities since taking office. New business creation, technology development, advanced skills training, agricultural revitalization, welfare reform and broad-spectrum education reform all aim at this key goal. Building on these initiatives, Governor Ashcroft has directed the state agencies most concerned with job creation -- the departments of Economic Development, Labor & Industrial Relations, Agriculture, Elementary & Secondary Education, Higher Education, and Highways and Transportation -- to form a standing Cabinet Council charged to develop strategies for full employment statewide. This group will consult with the Missouri Training and Employment Council, a statewide coordinating group that 1988 legislation will propose be created through reorganization of an existing body. Because job creation ultimately must rely on the energies of the private sector, the task force will work closely with groups and organizations drawn from outside government. Enhancing productivity and expanding domestic and international exports will be among the strategic issues considered by the Cabinet Council.

RECOMMENDATION #5

"The Commission recommends that private employers in Missouri accept more responsibility for providing training and retraining for their employees in order to help them become more highly skilled and productive."

Response

The Governor endorses this recommendation to private employers. Employers must recognize more fully the need to keep employee skills and abilities at their highest level. Recent state initiatives like the Job Development Fund and broadened training and retraining programs give employers new resources and incentives to provide training, but government programs can only supplement the much larger, privately funded effort. Too often, however, employer-sponsored training and retraining programs are limited to accomplishing the most immediate

asks. Employers must recognize the increasingly shortsighted nature of this approach in the context of more rapidly changing skill and task environments. Investments in the future needs of employees will help assure workers of future employment and assist companies in maintaining a skilled workforce. The Governor joins the Commission in urging business and industry to invest in employee skills. Greater productivity will mean better income and job satisfaction for employees and will lead to a more vibrant, high-employment state economy.

RECOMMENDATION #6

"The Commission recommends a major statewide effort be adopted by state government to provide an avenue for disenfranchised workers to move off dependency rolls and into the private labor market. Such initiatives must include basic education, job training, transitional financial support, and a child care provision."

Response

The established welfare system has become, for too many low-income families, a system of long-term dependency. Governor Ashcroft's "Learnfare/Welfare-to-Work" proposal will give those families new access to self-reliance. As proposed by the Governor in 1987, and as it is being implemented on a demonstration basis in St. Louis and Kansas City, this initiative will give families receiving public support new employment ability through education, job training and placement, and job experience. Child care, stipends for training-related expenses, and other services will give low-income parents the resources needed to participate in the program. Expansion of this initiative to the entire state will be an important step toward employment and independence for the economically "disenfranchised" and toward reduced government spending on public welfare maintenance.

RECOMMENDATIONS #7 and #8

(7) "The Commission recommends that Missouri employers proceed to dismantle at greater speed the attitude barrier among employers, and many of their personnel, that exists towards persons with disabilities."

(8) "The Commission recommends that the Governor designate an ombudsman, with interdepartmental authority, with immediate responsibilities to develop systems and programs to utilize resources more effectively to help the transition of disabled individuals from school to work and from unemployment to employment."

Response

The Governor commends the Commission's encouragement to employers to provide full opportunity for the handicapped and disabled to hold jobs on an equal basis with others. Chief executive officers of Missouri's businesses and industries, acting in the best interest of their companies and in furtherance of additional opportunities for handicapped workers, should ask their organizations to take a new and refreshed look at employing the handicapped worker. The Governor's Committee on Employment of the Handicapped is an active proponent of handicapped employment and conducts outreach, awareness, technical assistance and other programs for employers throughout the state. To expand its work, the Committee has added staff specifically to conduct outreach and education in Missouri's private business sector. In addition, the Committee works closely with state and local educators to increase education, training, and employment opportunities for Missouri's handicapped citizens. In recognition of the Commission's recommendation, the Governor is directing the Committee on Employment of the Handicapped to explore new initiatives and redouble its effort to move capable handicapped workers into the employment mainstream.

RECOMMENDATION #9

"The Commission recommends that a Missouri Labor-Management Coordinating Council be established to encourage the development of more area labor-management councils in Missouri."

Response

This recommendation of the Commission urges Missouri workers and businesses to use labor-management councils as a means to focus joint efforts on local and state economic development. Councils throughout Missouri have demonstrated that they can be forums for developing the labor-business cooperation essential to job creation. Governor Ashcroft commends those councils for their successful consensus approach based on understanding the needs and potential of their localities and regions. In keeping with his reservations regarding the creation of new state agencies (see Response to Recommendation No. 1), the Governor has asked the Department of Labor and Industrial Relations to provide technical and other assistance to existing and potential local councils.

RECOMMENDATIONS #10-#13

(10) "The Commission recommends that greater emphasis be given to developing new jobs from the base of existing businesses in the state. We recommend that equal incentives be given to all businesses which create new jobs. Furthermore, we recommend that in recruiting out-of-state companies to come to Missouri, emphasis be placed on these businesses expanding their operations rather than simply relocating."

(11) "The Commission recommends that the Small Business Incubation/Development Center concept be expanded wherever economically feasible. Appropriate levels of funding should be made available to all centers which have a high probability of ultimately being free-standing, self-funding entities."

(12) "The Commission recommends that an entity be designated by the state to give assistance to small businesses interested in the export market, thereby allowing these small businesses to collectively organize and promote Missouri's products and services in international markets."

(13) "The Commission recommends that industries be targeted in our economic development efforts in which we have specific comparative advantages. Resources should be focused on those things which Missouri can do best."

Response

The Governor concurs with the Commission's emphasis on job retention and expansion as compared to re-location. This emphasis is reflected in state economic development efforts and Governor Ashcroft will encourage local, private and public development agencies to heed this strategy as well.

The state's array of financial and other incentives to business creation and expansion deliberately emphasizes smaller businesses and those firms already on Missouri soil. At the Governor's direction, the Department of Economic Development has developed new techniques to aid existing businesses through outreach and assistance to businesses and their communities. The new and expanding business investment tax credit program, for example, authorizes a substantially larger incentive for Missouri-based firms than for others. Small businesses are eligible for a higher ratio of state funding under the Higher Education Research and Applied Projects Act. Farms and rural small businesses, mainstays of the Missouri economy, are the targeted beneficiaries of the recently enacted "Linked Deposit" program.

The Governor's economic development and job creation strategy is designed to build on Missouri's strengths, among them dynamic small businesses, a strong technology sector, and agribusiness. Successful competition in the world marketplace is key to Missouri's prosperity. When the General Assembly convenes in its 1988 session, Governor Ashcroft will propose statutory creation of a new Export Finance Fund to stimulate international exports by Missouri's small and medium-sized businesses, as suggested by the Commission. Missouri's new Small Business Office, innovation centers, and business "incubators" are actively fostering new small business ventures throughout Missouri. In addition, a foundation is being laid for long-term advances in high technology business with a \$9 million state investment to date in the Kansas City and St. Charles County research parks.

The Governor agrees with the Commission's view of the need for state and local economic development efforts to target industries for which we have special advantages. The Missouri Department of Economic Development contracted in 1985 with the Midwest Research Institute to help identify such industries. That analysis revealed the following top six industry targets:

- 1) Communications
- 2) Plastics and Metals
- 3) Food and Related Industries
- 4) Automotive
- 5) Office, Research and Distribution Facilities
- 6) Electronics

Special publications, mailings and trips were initiated to pursue these targeted prospects and have met with some success.

Building on the Commission's recommendations and the Department's targeted Industries study, the Governor is directing the Department to assist local and regional development agencies develop strategies to target specific industries and to prepare a comprehensive strategy that draws upon all available state government resources in developing opportunities with identified target industries. Implementation of that strategy should be scheduled for initiation during Fiscal Year 1989.

RECOMMENDATION #14

"The Commission recommends that a thorough assessment of Missouri's national and international image be conducted periodically. Missouri must do a better job of marketing herself, both to Missourians and to those outside of Missouri."

Response

The Governor fully supports this insightful recommendation of the Missouri Opportunity 2000 Commission. At present, the state's national and international marketing program includes limited assessment of the perception that businesses and others have of our state. Governor Ashcroft has charged the Director of Economic Development to prepare a plan for systematic assessment, as the Commission recommends, that can be implemented on a permanent basis beginning no later than April 1988. The results of assessment will provide the basis for improved marketing of Missouri, both internally and beyond the state's borders.

RECOMMENDATION #15

"The Commission recommends that emphasis by both the public and private sectors be directed to a continuing awareness program to stress the linkage between transportation-related infrastructure (roads, bridges, airports, water transportation, rail, etc.) and economic development."

Response

High-quality transportation and other public infrastructure are vital to Missouri's prosperity and deserve the public recognition that the Commission calls for. Voter approval of Proposition A in April 1987 will raise over \$130 million annually for the state highways and bridges system and demonstrates that the citizens of Missouri recognize that important linkage. Enactment of House Bill 210 only weeks later granted new, voter-approved local sales tax authority and signifies a determination to make investments in local transportation projects and other public services.

Previous, unsuccessful efforts to obtain voter approval of highway funding increases underscore the importance of the Commission's recommendation. The Governor is requesting the Highway and Transportation Commission to undertake a program to account to the public for its efforts to support economic development through transportation infrastructure, and he will encourage the transportation industry to participate in efforts to keep the public informed of the importance of transportation-related infrastructure in supporting economic development.

RECOMMENDATIONS #16, #17 and #27

(16) "The Commission recommends the modernization of the University of Missouri Extension system to better provide small business and agribusiness assistance in rural Missouri and in Missouri's smaller communities, and to re-direct the extension service toward economic development issues facing the state in the next thirteen years."

(17) "The Commission recommends that policies for rural Missouri must recognize that many communities are the lifeblood of an extended network in the state's rural economy. The state must ensure that the economic structure of these communities is strengthened by helping them seek and secure sources of off-farm employment, by sponsoring transitional programs for farmers leaving agriculture or combining agriculture with non-farm sources of income, and by providing job training. Our public and private colleges and universities should be used as a primary instrument for strategic rural economic development."

(27) "The Commission recommends that programs be initiated to coordinate the total improvement of education in the rural areas with a total rural revitalization program."

Response

The Governor supports the Commission's call to modernize the University of Missouri Extension System and believes it is very important that the University of Missouri Extension system work with the departments of Agriculture and Economic Development in the delivery of services for small business and agribusiness. It is clear that a redirected Extension Service could be a valuable partner helping to

Apply the resources and creativity of higher education to the development needs of rural families, businesses, and communities. This activity should clearly not duplicate any existing efforts of the departments of Agriculture or Economic Development, but should be a coordinated effort with those departments of state government having primary programmatic responsibilities. State programs also provide job training, retraining, and transition assistance to rural communities through the departments of Economic Development, Agriculture, and Elementary and Secondary Education. In the current year alone, state training and vocational education programs will invest an estimated \$4 million in this important effort.

The Commission recognizes that schools are a key to any rural revitalization effort in Missouri. Often, the school is the most important center in a community for social and cultural events. It also needs to be seen as an important center for economic development.

Students in rural schools should be given the best education possible. Recognizing this need, Governor Ashcroft recently joined with officials of the Missouri School Boards Association to support the creation of the "Education Satellite Network" or ESN. ESN has been created to provide substantive educational programming to those school districts in Missouri that would not otherwise be able to provide students courses in advanced mathematics, sciences, physics, and various foreign languages. The Governor encourages local school boards to take advantage of this service where their students would benefit and to seek other opportunities to implement these recommendations of the Commission.

As part of his 1988 legislative initiatives, Governor Ashcroft will call for enactment of a new, Rural Communities Economic Assistance Program, formation of a Rural Economic Development Council and expanded incentives for new investments in rural neighborhood assistance projects. Governor Ashcroft commends the Missouri Opportunity 2000 Commission for recognizing the great promise of Missouri's rural enterprises and pledges to continue to work toward full realization of their potential.

RECOMMENDATION #18

"The Commission recommends that:

- (a) state government encourage development of Missouri's potential hydroelectric resources via appropriate tax policies and governmental actions;
- (b) industrial cogeneration be encouraged by appropriate tax policies and by appropriate actions of the Public Service Commission;
- (c) research activities in the areas of fluidized-bed combustion and of pipeline transportation of high sulfur coal (research currently being conducted at the University of Missouri and Southeast Missouri State University) be supported and expanded; and,
- (d) both private and public organizations strengthen existing energy conservation programs and encourage initiatives."

Response

The cost of energy is a continuing concern to Missouri families and also is an important factor in Missouri's business and job development climate. Existing state and local programs focus on both conservation and alternative production, including, among other steps, extensive home energy conservation programs for elderly and low-income families. During the past nine years, for example, home energy conservation programs operated by the state have weatherized and upgraded the energy efficiency of 89,000 homes, producing significant annual cost savings for Missouri citizens. On the generation side, fluidized-bed research projects hold the twin promises of a growing market for Missouri-produced coal and reduced emission of pollutants.

To further evaluate this recommendation and continue Missouri progress on the energy front, Governor Ashcroft is asking the Department of Natural Resources, the Department of Economic Development and the Public Service Commission to develop a long-term strategy aimed at significant containment of energy costs and at maximizing the production of Missouri energy resources. Those three agencies will review long-term energy trends, examine the costs and benefits of alternative private-sector and government actions, including those suggested by the Commission, and issue recommendations for practical steps toward an energy policy supportive of a high-employment, energy-efficient economy.

RECOMMENDATIONS #19-#21

(19) "The Commission recommends that the General Assembly consider the approval of a sizable bond issue which would provide funding for a construction grants program or revolving loan program for sewage treatment grants to local government."

(20) "The Commission recommends that the Hazardous Waste Remedial Fund be maintained at least at its present level if not expanded."

(21) "The Commission recommends that:

- (a) benefit/cost analysis be applied to all existing and new pollution control laws to make sure that the benefits of pollution reduction exceed the cost to industry of achieving the reduction;
- (b) pollution control laws indicate desired results (in terms of lower pollution levels) rather than dictate the means by which these results should be achieved. Both the private sector and municipalities should be left free to choose whatever control measures are most economical; and
- (c) state laws be coordinated with existing and proposed federal regulations."

Response

In these recommendations the Missouri Opportunity 2000 Commission addresses the state's compelling need to maintain high standards of quality in Missouri's air and water resources. Pursuant to the Commission's recommendations, and as part of his 1988 legislative package, the Governor will call for reauthorization of the Hazardous Waste Remedial Fund, Missouri's "Superfund" program that channels fees from producers of hazardous waste to waste site clean-up efforts. The funding is a linchpin in the state's hazardous waste campaign, providing \$1.5 million annually and helping leverage 90 percent federal matching funds.

Recent federal law reoriented national grants for waste water treatment to a more economical revolving loan program. State legislation enacted in 1987 created a counterpart Missouri revolving loan program as suggested by the Opportunity 2000 Commission. The Governor supports this new approach to continue the federal, state and local partnership for construction of waste water treatment facilities.

Pollution control standards, as the Commission recognizes, clearly should be goal-oriented rather than attempt to dictate narrow techniques and methods of attainment. Governor Ashcroft has asked the Department of Natural Resources to review its present pollution control criteria to ensure that they are oriented toward results, consistent with federal programs and justified on calculation of benefits and costs.

RECOMMENDATION #22

"The Commission recommends a massive statewide effort to eliminate illiteracy. Private employers should cooperate with educational efforts to reduce and hopefully eliminate the adult illiteracy which exists among Missouri's labor force and the population at large."

Response

The Commission acknowledges that illiteracy and low levels of literacy are serious problems in Missouri. Employers often are faced with adults whose lack of skills or whose low levels of literacy seriously affect their performance in the workplace. The Commission recognized that the private sector has a major role to play, along with the state, in identifying and assisting those Missourians who need to improve their literacy skills.

In the past three fiscal years, Missouri has increased funding for Adult Basic Education over 55%. This is in addition to funds that the Division of Job Development & Training of the Department of Economic Development has used to expand literacy programs. Governor Ashcroft continues to take a leading role in promoting increased awareness of the literacy challenge in Missouri. Recently, the Governor announced the creation of his "Governor's Advisory Council on Literacy," which will be chaired by Secretary of State Roy Blunt. The Council, whose work will span two years, will make recommendations to the Governor on how the state and the private sector can pool resources and coordinate services to achieve the goal of the Commission to "reduce and hopefully eliminate adult illiteracy which exists among Missouri's labor force and the population at large."

RECOMMENDATION #23

"The Commission recommends that the state adopt a policy giving parents and guardians in the urban areas the choice of which public school their children will attend. Schools should treat parents as the partners they are in the educational process."

Response

In the rationale for this recommendation, the Commission states that the introduction to competition into public education would provide a structural change in the schools which could lead to a change of attitudes and to significant improvement in quality. A key element of the structural change would be increased parental involvement. The Commission believes that permitting parents in urban areas to select the school their children attend would make the schools more accountable.

Urban school districts, the focus of this recommendation, generally operate multiple schools and are a logical starting point for expanded choice in public education. Local school districts already have the authority to permit parental choice of public school attendance centers, but only a few districts in Missouri currently permit such choice outside of the artificiality of court-ordered circumstances. As a practical first step, the State Board of Education is being asked to consult with the Missouri School Boards Association and other interested groups in considering means by which districts could provide increased opportunity for choice among schools within each family's district.

RECOMMENDATION #24

"The Commission recommends that the state adopt policies lengthening the school day and/or lengthening the school year."

Response

Underlying this recommendation is the understanding that "time on task" is fundamentally important in the education enterprise. Increasing the amount of time that students spend in the studies can lead to significant gains in learning and achievement.

In addition, the Commission states in the rationale for the recommendation that lengthening the school day and/or school year would send an important signal to students and teachers that Missourians consider learning important and worth of hard work and serious attention.

Upon receipt of the Commission's report, Governor Ashcroft called on school districts to voluntarily increase the length of the school year to at least 180 days, which is the national average. Currently, Missouri law requires that students be in class only 174 days--the lowest in the nation except for North Dakota.

Missouri should make a strong commitment to increasing time-on-task for its students in elementary and secondary schools. For our students to be capable of competing with the graduates from other states and nations, we can do no less. The Governor will ask the General Assembly to support specific proposals for the implementation of this recommendation.

RECOMMENDATION #25

"The Commission recommends that the State of Missouri, local school districts, public and private educators and parents or guardians embark on a major and dramatic program to substantially increase the "persistence-to-graduation" rate of our school-age youth."

Response

The Commission's recommendation takes into account that approximately 25% of students do not graduate from high school. Although the percentages vary by school district, the aggregate figure of 25% is staggering in its social and economic implications and certainly merits the priority attention recommended by the Commission.

Education studies reveal that most potential drop-outs can be identified in elementary school and that efforts to prevent drop-outs that begin in high school are often too late. It is clear that efforts to lower the rate of dropping-out of high school must begin much earlier in the schooling process.

Missouri's Excellence in Education Act of 1985 created several programs which have the potential of making a serious dent in the drop-out rate. For instance, a rigorous program of criterion-referenced examinations will give teachers the diagnostic tools necessary to spot fairly precisely those areas in which a student is not mastering the material. Lack of success in school has been recognized as highly related to decisions to drop out of school. A number of "Incentives for Excellence" grants to teachers and schools have been provided for drop-out identification and prevention programs in the past.

To implement this recommendation of the Commission, the Governor will ask the General Assembly during its next session to allocate a substantial portion of incentive grant funds for distribution solely to grantees who will focus their work on this particular problem. The Governor will also ask the Department of Elementary and Secondary Education to assist and encourage school districts, teachers and administrators in proposing and experimenting with varied and innovative approaches to this issue when taking advantage of this funding. Those projects which are demonstrably effective will be disseminated to other Missouri school districts.

Also, Missouri's Parents as Teachers and other early childhood programs are intended to give children the very best start in life possible so that they will succeed in school from their first day in kindergarten.

Finally, Adult Basic Education and other efforts to encourage and assist the re-entry to education by students who have dropped out must be supported as the last line of defense in battling the problem of low rates of "persistence to graduation".

RECOMMENDATIONS #26, #28 and #37

"The Commission recommends that by the year 2000 Missouri should rank 25th or higher among the states in education investments per student."

Response

In the past three fiscal years, Missouri has made major strides in providing additional resources for elementary and secondary education. In the state's basic school foundation formula, the increase has been 37%, which does not include new revenue from Proposition C funds or from Excellence in Education programs. The National Education Association has reported that for the last two years Missouri has been among the top 15 states in percentage increases for education. Maintaining Missouri's recent commitment to education funding relative to that of other states will result in achieving the overall goal recommended by the Commission, and increased resources for education will be a continuing priority of the Governor.

As a result of this trend, many districts are reporting easier success in recruiting quality teachers during the past few years. New prospective teacher loan and scholarship programs, career ladder salary enhancements and statewide minimum salary guarantees also have helped to address this issue. Data indicating that schools have been choosing to improve pupil-teacher ratios rather than focus on the salary issue clearly indicate the absence of any crisis in attracting sufficient numbers of teachers.

But the paramount issue in education is not revenue. Rather, the major issue is performance and achievement -- what Missourians get for their education dollars. Making Missouri first in the nation in spending for education is not of particular importance, but it is important for Missouri students to be performing at a level that ranks them well in achievement among students from all other states.

To achieve that performance, Missouri students need to be competent in subject matter -- such as the material tested in the new Missouri Mastery and Achievement Tests (MMAT). They will need to read well, write well, be able to think clearly and reason effectively. We need to monitor student performance, to assess their progress, to assure them and ourselves that our students are achieving at peak performance.

It is also important that schools appreciate the Commission's recommendation with regard to promoting student awareness of the workplace and the consequences of career choices. The Governor will ask the State Board of Education and the Governor's Advisory Committee on Vocational Education to step up their recent planning in this area.

Both the state and local school districts should deploy resources in such a way as to achieve peak performance and to see that Missouri students achieve at the highest levels possible. Right now, Missouri students consistently score well above the national average on standardized examinations. We can do even better than that and we should make that effort.

RECOMMENDATION #29

"The Commission recommends that all elementary and secondary schools in Missouri provide school health services, which should include reasonable nursing services, periodic health examinations, referral services, other preventative health services, and individual consultation, confidential or otherwise, on problems affecting students."

Response

Local public health departments and school districts long have cooperated in providing health screenings, immunization clinics, and other activities to promote good health for our children. These activities should continue.

The Commission recognizes that providing certain health services is an important part of local school districts' overall responsibilities. Preventative health services, in particular, are important for young children. The Missouri Early Childhood Education program provides health and developmental screenings for 1 & 2, and 3 & 4 year-old youngsters. When problems are detected, appropriate referrals are made.

The Missouri Department of Elementary and Secondary Education and the Missouri Department of Health should continue to work together closely to coordinate strategies to improve the health of Missouri's public school children. For instance, the two departments share a full-time coordinator for school health nurses to serve as the chief contact for questions relating to public health and local schools. The departments cooperate in the publication of a curriculum guide for school health to assist local school districts who desire good information that teachers can adapt for use in their classrooms.

Governor Ashcroft last year convened a Governor's Conference on the health education needs of children and youth to highlight this issue in the state. The Governor will continue to urge schools' attention to the health needs of children but believes that the extension of school services to complement the services of local health care providers should be determined by local school boards.

RECOMMENDATIONS #30, #31, and #33

(30) "The Commission recommends that vocational education and career training programs be strengthened and increased emphasis given to serving adults in need of retraining and specific job skill development."

(31) "The Commission recommends that vocational education institutions develop mutually supporting and cooperative relationships with private employers, employer associations and labor organizations in the state, to encourage and assist in the establishment of on-site vocational training programs within the private sphere. The state should consider providing appropriate incentives to increase the amount of employer-sponsored vocational education in the state."

(33) "The Commission recommends that we support our two- and four-year colleges and universities in developing extensive continuing education and retraining programs."

Response

The Commission urges, first, that vocational education programs put new focus on adults who need retraining and skills upgrading to reflect transition in our economy, second, that new emphasis be given to on-site vocational training and, third, that two- and four-year colleges be an important part of the job training system. Retraining has been a growing part of the state job skills effort through the Job Development Fund (created in 1986 as a Governor's initiative and allocated \$12 million in two years), the Division of Job Development and Training, and the state vocational education system. Vocational education and retraining projects increasingly are conducted at business and institutional worksites and are designed on a "customized" basis in conjunction with specific employers. An example is the extensive robotics training that Jefferson College has provided to employees of the new General Motors Wentzville plant. Governor Ashcroft shares the Commission's conviction that prosperity and job creation in a future of rapid economic change will hinge on maintaining a highly skilled workforce. Expanding our current training and skills programs while adding new, promising approaches will be a continuing priority of the state's economic development programs.

RECOMMENDATION #32

"The Commission recommends that private industry and the state strengthen their support for research universities as central to the ability of the state to compete in the attraction and development of industry."

Response

Missouri private and public research universities are vital to achievement of our state's goals for the year 2000. While public research campuses have benefitted significantly as state investment in higher education has grown from \$307.4 million in FY 1985 to \$425.3 million in FY 1988 (with an additional \$225 million dedicated to physical plant improvements), the Commission's recommendation is well-founded.

Governor Ashcroft commends the Commission for recognizing the need to expand Missouri's university-based research capacity. While public funding increases necessarily must be balanced with needs in elementary and secondary education and in other human service programs, additional state support should be given to research universities. The Governor's FY 1989 budget priorities include, among other initiatives, \$1 million for Missouri's new Centers for Advanced Technology to conduct high-technology research, new funds for the Higher Education Applied Projects research program, \$750,000 to upgrade research equipment at our public colleges of engineering, and, in addition, expanded funding for advanced research in biotechnology, intelligent industrial systems, materials science, and other key fields.

Since FY 1986, over \$32.9 million in state aid already has been directed to high-priority, "targeted investment" research programs. A total of \$9 million has been invested in two new research parks affiliated with the University of Missouri campuses in Kansas City and metropolitan St. Louis. Modelled on the Research Triangle Park of North Carolina, the parks will attract private investment and stimulate progress toward a technology-intensive state economy. Cutting-edge biotechnology research, sophisticated engineering testing and research equipment, as well as research personnel, computer resources and other support, have received substantial new state investments in recent years.

Missouri's business community also recognizes the importance of world-class research institutions and has made significant contributions to specific research projects. Efforts by private-sector leaders to designate research areas of greatest potential would help to maximize the return on state investments. Governor Ashcroft congratulates Missouri business and philanthropic leaders for their continued dedication to our vibrant research universities. Their contribution is essential to the world-class research community needed for long-term state development.

RECOMMENDATION #34

"All institutions of higher education should have a well-defined mission that relates the institution to the overall goals of the state and to the special constituencies that it serves."

Response

Every one of Missouri's higher education institutions plays a unique and vital role in the lives of the students and local or statewide communities it serves. Mission statements, already adopted by many colleges and universities, can help delineate that role and raise awareness of the contribution each institution makes to our state. The Governor urges other institutions of higher education to consider defining specific missions in the context of statewide objectives of expanded individual and social opportunity and to respect stated missions in developing and reviewing academic programs. The Coordinating Board for Higher Education should continue to work with public institutions in the development and updating of mission statements.

RECOMMENDATION #35

"Each institution should strive to understand, and to the extent possible, measure its effects on its students."

Response

Assessment of student achievement is central to demonstrating that colleges and universities are effective and also accountable to the students, parents and supporters of higher education. Northeast Missouri State University is a national leader in the assessment movement and other campuses have been eager to integrate assessment into their teaching programs in a manner consistent with their own goals. Through funding and other measures, the state will continue to encourage public two- and four-year schools to develop meaningful student assessment programs, helping to keep Missouri in the forefront of this important education reform.

RECOMMENDATION #36

"The Commission recommends that each institution of higher education in Missouri encourage the enrollment of talented out-of-state students by waiving out-of-state fees for those students scoring in the top five percent of their graduating high school class."

Action to Implement

Good students improve the learning environment of campuses, and students educated in Missouri are more likely to remain and contribute to the economic vitality of our state. Educators and governing boards should evaluate initiatives to attract top-quality students to Missouri universities and colleges. At the same time, making higher education accessible and affordable for all Missouri students and families is a paramount consideration. Colleges and universities should themselves have a role in considering the proper balance between these potentially competing priorities, and the Governor will welcome their reactions. Although the top five percent may not be the appropriate threshold at all institutions and partial waiver of out-of-state fees may be an adequate incentive, the sense of the Commission's recommendation deserves thorough consideration.

RECOMMENDATION #38

"The Commission recommends that the ability of school districts to acquire needed resources be improved by implementing legislation that reduces the requirements for voter approval on school bond issues from a two-thirds approval to that of a simple majority. Immediate priority should be given to reducing the requirement for bond approval for bonds in which the purpose is to maintain or repair current facilities."

Response

The Governor concurs with the Commission's recognition of the need to reduce the two-thirds vote requirement that currently applies to school bond issues. Maintenance and repair needs, however, should not ordinarily be funded by bonded indebtedness.

In view of the need for voter approval of a constitutional amendment on this issue, the Missouri State Board of Education has recommended that a four-sevenths majority vote requirement replace the current requirement of a two-thirds majority. The Governor believes that the Board's recommendation is most realistic and he supports it.

RECOMMENDATION #39

"The Commission recommends the medical and health care professional associations and the General Assembly, with the advice of the Missouri Department of Health and of appropriate licensing boards, immediately study all professional qualification and licensing legislation, to revise and modernize the areas of permitted practice for health care professionals other than physicians and osteopaths."

Response

As the Commission notes, reconsideration of the role of auxiliary health care professionals may disclose new ways to improve health care delivery in underserved areas and to help control health care cost increases. Governor Ashcroft concurs with the Commission's recommendation and has directed the Department of Health and Division of Professional Registration to conduct a study assessing the need for legislation and other innovations to modernize permitted professional health care.

RECOMMENDATION #40

"The Commission recommends that the Missouri Department of Health establish plans to encourage the extension of privately managed health care delivery systems into rural areas."

Action to Implement

Governor Ashcroft is directing the State Department of Health to prepare a report assessing the incentives and any obstacles that privately managed health care concerns currently encounter when expanding their systems of care into rural areas. The report also will review policy options and recommendations for state or local government action that will stimulate high-quality, affordable health care in rural areas.

RECOMMENDATIONS #41 and #43

(41) "The Commission recommends that an appropriate and state-wide, long-range funding formula be established for public hospitals, teaching hospitals, and other hospitals directly serving the poor, to compensate for care for the indigent without shifting the cost to paying patients or third-party payers."

(43) "The Commission recommends that the State of Missouri continue to improve the Missouri Medicaid program by expanding the medically needy component to cover additional pregnant women and children. The state should also continue its effort to develop and provide adequate resources for an integrated perinatal program for the state's low-income population through improved coordination of Medicaid, prenatal clinic programs, and programs for the prevention of mental retardation."

Response

Missouri is making important strides toward the twin goals of adequate health care for the indigent and financial recognition of the role that hospitals play in indigent care. A key part of the Governor's 1987 legislative package, for example, was making low-income women and their children eligible for Medicaid-paid prenatal and child health care. That initiative was enacted as House Bill 518. It opens eligibility to women--and to children under the age of five--in families with incomes up to 100 percent of the federal poverty level and when fully implemented is expected to serve over 4,000 women and more than 21,000 children annually. The Medicaid expansion initiative will help cut into the uncompensated care burden of hospitals, channeling an estimated \$8.5 million to hospitals in 1989.

Recognizing that uncompensated costs affect some hospitals more than others, the state has implemented "disproportionate share" Medicaid rates to compensate hospitals that provide relatively more indigent care. In keeping with the Commission's recommendation and consistent with administration efforts to make best use of federal funds available to meet these needs, the Governor will propose that the General Assembly re-allocate and increase funding for disproportionate share payments.

The Governor's 1988 legislative and budget package will include additional expansion of the Medicaid program to serve physically and mentally disabled children aged 5-17 who have been ineligible for coverage in the past.

RECOMMENDATIONS #42 and #44

(42) "The Commission recommends that individual Missourians, social and civic organizations, labor organizations, and employers all take an active role to encourage the development of healthier lifestyles by individuals, and of healthier home, work, and school environment."

(44) "The Commission recommends private health care providers to provide a state-wide network of accessible and affordable wellness centers to meet the preventive health care needs of Missourians."

Response

Emphasis on wellness, preventive health care, and healthy lifestyles contributes both to better health and to controlling health care costs. All adults, including the retired, are important beneficiaries of the new focus on wellness.

The Governor urges Missourians to become more informed about the benefits of healthier lifestyles and actively support the implementation of this recommendation in their families, in organizations to which they belong and in their communities. Further, the Governor calls upon leaders among our health care institutions and organizations to initiate new efforts to expand a network of new services and new health care resources across the state.

The Missouri Department of Health actively supports efforts of employers and private health care providers to emphasize wellness programs. State government will continue its initiatives, serving as a catalyst and resource for expanded provision of wellness centers, higher standards of child health, and achievement of better health through prevention and healthy lifestyles.

RECOMMENDATION #45.

"The Commission recommends that the Missouri Department of Health initiate discussions with academic institutions, health departments, minority and non-minority health professional organizations, and other public/private sector entities to develop strategies to improve availability, accessibility and retention of minority health professionals."

Response

Governor Ashcroft has asked the Department of Health to consider this a high-priority recommendation and, following consultation with concerned groups, to prepare a report that presents a strategy and work program to dramatically increase the number of minority health professionals in Missouri.

RECOMMENDATION #46

"The Commission recommends that the Governor establish a permanent Commission on Bioethical Issues, comprised of a broad range of citizens informed on medical technology, science, health care delivery systems, social science, and the religious and ethical aspects of care."

Response

The Department of Health has established a standing review board to consider bioethical issues and, on that basis, to suggest appropriate action by the Department in particular instances. The Governor has asked the Department of Health to employ the review board and consult with medical professionals and other interested groups in developing proposed functions and structure of a Bioethical Issues Commission. Final decisions regarding such a commission remain open, pending the results of this work.

RECOMMENDATION #47

"The Commission recommends a significant budget increase for the Missouri Department of Mental Health with corresponding internal reallocations of resources to prevention-type services over the next ten years."

Response .

The Governor concurs with the recommended emphasis on prevention and calls on the Mental Health Commission to reflect that emphasis in its programs. The recommendation for additional budget resources is a focus of attention during the annual budget and appropriations process of the state.

RECOMMENDATION #48

"The Commission recommends that employers investigate, develop, and support a variety of employer-sponsored child care programs. The Commission recommends that government employers consider setting an example by developing employer-sponsored and employee-supported child care facilities. Any workfare or low-income training programs funded by state or local government should include adequately financed child care components as well."

Response

Quality child care is a vital concern for working parents and also can help provide an early springboard for successful learning when children reach school age. As the demographic composition of the workforce continues to change between now and the year 2000, child care will become increasingly important in retaining good workers and attracting new workers. The Governor calls on all employers to recognize the significance of child care and to help expand the availability of high-quality child care in Missouri. The Missouri Rehabilitation Center in Mt.

Vernon has created a successful, employer-sponsored day care service that can serve as a model for similar private- and public-sector programs. Governor Ashcroft commends the Commission's endorsement of child care for low-income parents. His "Learnfare/Welfare-To-Work" welfare reform proposal increases state-funded day care as an integral element.

RECOMMENDATIONS #49 and #50

(49) "The Commission recommends that private insurers develop and make available additional and appropriate long-term care policies, and that the Missouri Division of Insurance study the new field of long-term care insurance, and propose a program that would encourage insurers to extend and expand such coverage to Missourians."

(50) "The Commission recommends that the Missouri Departments of Social Services and Health develop and implement programs of information that will stress the importance of families' planning for long-term care."

Response

Governor and Mrs. Ashcroft strongly support these Commission recommendations for new awareness of, and access to, long-term health care. Few insurance carriers make long-term care policies available in Missouri now. To stimulate such coverage, the State Division of Insurance has issued a national invitation for insurance carriers to submit draft long-term care policies for review. As the availability of long-term care is expanding, the state is committed to ensuring that the policies are sound and fair to policy holders. Governor Ashcroft also has directed the Department of Social Services to raise awareness of and planning for long-term care among Missouri's families through a program of information conducted in cooperation with other state, local, and private organizations.

RECOMMENDATION #51

"The Commission recommends that the Departments of Higher Education and Social Services study the opportunities and develop plans for the encouragement and motivation of older citizens, who can and will expand their knowledge and qualifications to better serve the economic and social needs of the state and its younger citizens."

Response

Governor Ashcroft endorses this recommendation and commends the Commission's recognition of the ability and willingness of our older citizens to serve their fellow Missourians. The Volunteer Credit Bank encourages older citizens and others to aid older Missourians who, without in-home or other support services, might need institutionalization. Those volunteers earn credits that they can use if they, or someone they designate, require similar services. Missouri has many examples of other volunteer work by older and retired citizens who serve in public schools, advise new business entrepreneurs, assist hospitals and local health departments, and perform many other functions vital to our state. Opportunities for older Missourians to continue expanding their abilities will offer much to the later beneficiaries of their work and to the personal fulfillment of older citizens themselves.

To follow through on the Commission's recommendation, the Governor is requesting the Department of Social Services and the Department of Higher Education to submit an integrated plan to provide more opportunities for our elderly to share their knowledge and ability with all Missourians.

RECOMMENDATIONS #52-#54

(52) "The Commission recommends the creation of a housing trust fund, income from which can be used to make housing subsidy grants or loans."

(53) "The Commission recommends a general obligation bond issue of \$100,000,000 to provide capital loans needed to construct new or rehabilitate replacement units of public housing, community residential treatment facilities, and congregate housing for low-income elderly."

(54) "The Commission also suggests that the Missouri General Assembly consider enacting new tax credits to encourage private developers to invest in low-income housing, particularly single family housing."

Response

In these recommendations, the Commission calls for greater availability of housing for low-income and elderly families. State and local housing agencies are important factors in this area, as in the federal government through Section 8 and its other housing program. The Missouri Housing Development Commission (MHDC) is the lead state agency and currently finances more than 20,000 single-family homes and a similar number of multi-family units. Local housing authorities create assistance programs in many Missouri communities.

Bonds have been the principal source of funding for the MHDC. Total issuance to date exceeds \$1.4 billion. In this context, the Housing Trust Fund recommended by the Missouri Opportunity 2000 Commission is a promising innovation and will be included in the Governor's 1988 legislative package with initial capitalization to be provided from existing MHDC funds. Implementation and evaluation of the impact of this initiative should precede any determination regarding the eventual issuance of a major new general obligation bond issuance for a similar purpose.

RECOMMENDATION #55

"The Commission recommends that the Governor establish a process to facilitate implementation of the recommendations presented in this report and a mechanism should be put in place to promote, analyze, and report to the Governor on the progress of implementation."

Response

To ensure thorough follow-up on the Commission's recommendation, Governor Ashcroft has asked his Cabinet Councils -- comprised of state department directors -- to pursue policy responses to the recommendations in accordance with this document and to report regularly on implementation measures. The administration will, on a continuing basis, consult and seek the reactions of the co-chairmen of the Commission regarding implementation activities.